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Approved For Release 2002/08/23 : CIA-RDP68-00140R000200520003-0

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II.

The Division was requested to comment on a statement made to Col. White, during his visit to [redacted] that the Post Allowance (cost-of-living allowance) was too low to cover the high cost of [redacted]. This allowance is established by the State Department based on annual surveys made by the Embassy at the Post. The Post Allowance is a balancing factor designed to permit employees to spend the same portion of their basic compensation for current living as they would in Washington, D.C., without incurring a reduction in their standard of living because of higher costs of goods and services at the post. The amount paid is a flat rate varying only by basic salary, size of family, and post, regardless of individual expenses.

A sampling of the amounts of post allowances paid to various categories of employees assigned to [redacted] follows:

Single, GS-5	Approx.	\$13 per pay period		
Single, GS-7	"	\$14.50	"	"
Married, w/o children, GS-7	"	\$18.45	"	"
Married, w/2 children, GS-7	"	\$27.61	"	"
Married, w/o/children, GS-12	"	\$26.54	"	"
Married, w/2 children, GS-12	"	\$35.75	"	"
Married, w/o/children, GS-14	"	\$28.46	"	"
Married, w/4 children, GS-14	"	\$46.90	"	"

It is difficult to state whether the amounts of post allowance granted to employees stationed [redacted] sufficient to defray the admittedly high cost of living. The State Department utilizes a standard form, or check list, which has been developed to supply the costs of a variety of goods and services from which the "cost of living" can be ascertained. As in all allowances, the actual Post Allowance is based on information and statistics which are at least one year behind the actual facts. In a spiraling economy, [redacted] the Post Allowance does not keep up with the rising costs of living. The only solution seems to be an awareness on the part of the State Department of the possible discrepancies between the cost of living and the Post Allowance if such awareness will result in constructive efforts to keep such discrepancies as low as possible.

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Next 1 Page(s) In Document Exempt

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